GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:1594
ANSWERED ON:28.11.2002
COMBINED CYCLE POWER PROJECT
PUTTASWAMY GOWDA

Will the Minister of POWER be pleased to state:

(a) whether the 189 Mega Watt Combined Cycle Power Project in Karnataka hasbeen lying pending with the Union Government for a long time;

(b) if so, the details thereof and reasons therefor; and

(c) the steps taken by the Government to clear this project?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a) to (c) : No, Sir. The Detailed Project Report (DPR) for the 189 MW Hassan Combined Cycle Power Project, submitted to the Central Electricity Authority (CEA) bythe project developers in December, 1997, was considered by CEA for, in its meeting held on 28.5.1999. The proposal could not be accorded techno-economic clearance (TEC) as the same was not cleared by the Central Water Commission (CWC) for wateravailability from inter-State consideration as the source of water proposed for the project was from Cauvery basin and the matter of water allocation was pending before the Cauvery Water Dispute Tribunal for adjudication. Also, the hard cost and soft costs of the project were to be reduced by the project developers. In order to resolve the issue of water availability, CEA convened meetings on 23.1.2001 and 3.4.2001 with the project developers. In this meeting, alternative source of water supply was explored and the project developers proposed to go in for ground water, for which clearance from the State and Central Ground Water Authorities was required. The same was obtained by the developer in February, 2002. However, due to high cost of generation, CEA advised the State Government in August, 2002, to consider the possibility of reducing the capital cost and cost of fuel by changing the fuel from naphtha to other economical fuel and furnish their views to enable CEA to issue TEC.The views of the State Government have not been received by CEA. The DPR was however, returned to the IPP on 21.9.2001.

The project could be considered for TEC by CEA only after the necessary inputs/clearances are tied up. Meanwhile, the Government of India, Ministry of Power has also issued a notification No. S.O.888(E) dated 19th August, 2002 under Sub-section (1) of Section 29 of the Electricity (Supply) Act, 1948 (54 of 1948), whereby, schemes for generating stations prepared by a generating company having an estimated capital cost of upto Rs.2500 crores, and whose tariff for sale of electricity is determined by the Central Electricity Regulatory Commission or any State Electricity Regulatory Commission, are not required to obtain the TEC of CEA.